

American Association of Museums American Association of Museums Drastically Decreases their Fundraising Cost to Raise a Dollar



When Kate Goodall, Assistant Director of Institutional Advancement at the American Association of Museums (AAM) was asked what one of their biggest challenges has been with fundraising she said, “We’ve struggled in the past to move members to donors and with determining ask amounts with new donors. No one wants to leave money on the table or offend a donor by asking them for either too large or too small a donation.” So in 2008, AAM turned to WealthEngine for their prospect research tools and conducted a 30,000 record screening with age overlay to research their members and increase their ask amounts. As part of their realignment efforts to turn current members into donors, screening helped segment their membership base which is made up of both individual and institutional members. “Our current membership consists of 20,000 members; 17,000 make up AAM individual members and 3,000 are institutional members. So you can see that our largest membership base is that of individuals representing the museum industry,” says Goodall.

AAM has been bringing museums and museum professionals together since 1906 as the only professional membership association representing the entire scope of the museum industry. Today there are an estimated 17,500 American museums. The Association represents a broad range of these museums including art, history, science, military and maritime, youth museums, as well as aquariums, zoos, botanical gardens, arboretums, historic sites, and science and technology centers. According to Goodall, “The association acts as an umbrella for all museums and provides support and benefits for these organizations by offering two levels of membership at both the individual and institutional level.”

“When we sent our data to be screened, we marked our Inner Circle to identify any relationships with our Board Members with which we weren’t aware; so that WealthEngine could help us determine which current donors had the highest inclination to give.”

Kate Goodall, Assistant Director of Institutional Advancement, American Association of Museums (AAM)

Individual Membership Makeup:

- Registrars
- Educators
- Development Officers
- Museum Curators
- Security Managers
- Trustees
- Volunteers
- Exhibit Designers
- PR Officers

Individual Membership Benefits:

- Networking Opportunities
- Professional Development and Education
- Up-to-date Job Postings
- Access to Peer Groups
- Publication Subscriptions

Institutional Membership is open to museums or organizations that operate a museum related nonprofit organization.

Benefits include:

- Accreditation Program, recognizing museums operating under the highest caliber of standards and best practices
- Operations assessments
- Information Center (extensive library and help desk)
- Publication Subscriptions
- Member Discounts

Screening Membership

To set up for their initial 30,000 record screening, AAM launched an Individual Membership Acquisition, internally screening recipients based on known wealth information. WealthEngine then identified possible donors and potential upgrades for donors with higher capacity. AAM currently has about 1,000 donors, but their database of 100,000 contacts includes non-members who have attended annual meetings or purchased books from the AAM website. To ensure they were aware of all possible leverage points, the museum sent a robust file to WealthEngine. Fifty-six percent showed the greatest potential for Major Gifts and Annual Fund donations.

Segmenting Results

“We used the P2G™ scores from WealthEngine to find new donors, within our own database and upgrade existing ones. If someone received a score of a 2-5 or higher they were asked to give twice as much as their last gift, and 1-0’s were asked for triple,” said Goodall. This segmentation strategy paid off, as they were able to enlarge the size of their average donations by increasing their ask amounts. Their average gift amount was roughly identified as \$98 dollars and \$1,000 is considered a major gift by their standards.

Screening Segmentation Results

Member Total	P2G™ Rating	Prospect Type
5.8%	1’s	Major Gift
6%	2’s	Major Gift
43%	3’s	Annual Fund

Segmentation has greatly impacted their direct mail targets as well. Using the screening data, AAM has seen an increase in the amount of donations and a decrease in the costs associated with direct mail. In 2008 their “Cost to Raise a Dollar” (CRD) was \$.39 and now in 2010 after doing a screening and targeting their direct mail initiatives they have lowered their CRD to \$.10 per dollar raised. These results have greatly impacted their overall fundraising budget by lowering costs and increasing revenue.

Forecasting Fundraising Goals

Armed with their screening information, AAM set a fundraising goal that was double their 2009 goals. In August 2010, they were on track to reach this goal. With Goodall’s direction, AAM has started tracking multiple elements of their membership, donors, and prospect research efforts and now is able to provide further results to show their fundraising success. Recording the number of gifts, number of donors, net revenue, cost per dollar raised, and number of renewing donors— and whether they’ve increased or decreased their giving amounts— are all important facets of their tracking process. “We’re beginning to track our return on investment (ROI) by monitoring the change in number and size of donations received from our prospect research and screening efforts,” said Goodall. Since they opened their doors in the early 20th century, AAM’s goal has been to lead by example, developing best practice standards for museums to follow. AAM now knows the importance of prospect research in your development efforts. Additionally, it increases your staff’s efficiency by easily identifying new gift prospects, and reducing your overall fundraising costs over a period of time.

With their continued improvements in increasing membership and donors to its Annual Fund, the American Association of Museums has its highest number of members in its entire history. AAM plans to continue advocating for Museums and the professionals that work in the museum field.

